

**DOUGLAS COUNTY
STATE BANK**

NINTH AND KENTUCKY
LAWRENCE, KANSAS 66044

April 1, 1980

0-100A062

No.

Date APR 9 1980

Fee \$ 50.00

ICC Washington, D. C.

The Honorable Agatha L. Mergenovich, Secretary **11635**
Interstate Commerce Commission
125h & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. Filed 1425

APR 9 1980 - 10 45 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Mergenovich:

Enclosed for recordation as provided in 49 U.S.C. 20 (c) and 49 C.F.R. 1116 is a Security Agreement. The parties to the transaction are:

Secured Party: Douglas County State Bank
P.O. Box 429
9th & Kentucky
Lawrence, Kansas 66044

Debtor: Monte R. Milstead
3014 Nathan Dr.
Lawrence, Kansas 66044


The equipment covered by this Security Agreement includes two (2) 33,800 gallon, Class DOT 112J340W, railroad tank cars. The identifying marks of the cars are: TCSX 228 and TCSX 229. The original of the Security Agreement should be returned to:

Mr. Sam Campbell, Vice President
Douglas County State Bank
P.O. Box 429
Lawrence, Kansas 66044

Enclosed is the recordation fee of \$50.00 and an original and two certified true copies of the Security Agreement.

Douglas County State Bank


Joseph Kelly, Executive Vice President


Sam D. Campbell, Vice President

/bjs



P. O. BOX 429 • LAWRENCE, KANSAS 66044 • 913-843-7474



Interstate Commerce Commission
Washington, D.C. 20423

4/11/80

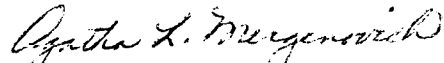
OFFICE OF THE SECRETARY

Mr. Sam Campbell, VP.
Douglas County State Bank
P.O.Box 429
Lawrence, Kansas 66044

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **4/9/80** at **10:45am**, and assigned re-recording number(s). **11635**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT

LAWRENCE, KANSAS

April 1, 1980, 19__

TO:

DOUGLAS COUNTY STATE BANK

DOUGLAS COUNTY STATE BANK

The undersigned and each of the undersigned grant to ("Bank") a security interest in the following property and any and all increases, additions, accessions, substitutions and proceeds thereto and therefor (herein called "Collateral"):

Two (2) D.O.T. 112J34OW nominal 33, 800 gallon tank cars numbered: NATX 33950 to TCSX 228 and NATX 33952 to TCSX 229 and Assignment of lease and lease payments resulting from said lease between Tank Car Services, Inc. of Houston (debtors management agent), Lessor, and Chaparral Energy, Inc. of California, Lessee and all future leases and lease payments either direct or through debtor's agent, Tank Car Services Co., Inc. or any other management agent.

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INTERSTATE COMMERCE COMMISSION

together with all rights relating thereto. Should the Bank deem any Collateral inadequate or unsatisfactory, or should the value of the Collateral decline the Bank shall have the right to call for additional Collateral to its satisfaction.

The security interest granted to the Bank hereunder shall secure all obligations of the undersigned to the Bank, howsoever created, evidenced or arising, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due ("Liabilities").

If any notification of intended disposition by the Bank of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to the undersigned either at the address shown below, or at any other address of the undersigned appearing on the records of the Bank. The rights, duties and obligations hereunder of the Bank and the undersigned shall, unless otherwise required by law, be governed by the provisions of the Uniform Commercial Code as in effect from time to time in the State of Kansas and other laws of the State of Kansas, or the laws in the State where filed.

If more than one party shall sign this Agreement, the term "undersigned" shall mean and include all parties signing this Agreement and each of them, jointly and severally.

The Debtor agrees that he has read this agreement and that this agreement includes and is subject to the additional provisions set forth below and on the reverse side hereof, such additional provisions, without limitation because of enumeration, being incorporated herein by reference.

THE DOUGLAS COUNTY STATE BANK

LAWRENCE, KANSAS

By Sam D. Campbell, VP
Sam D. Campbell
Vice President

x Monte R. Milstead
Debtor
Monte R. Milstead

(over)

ADDITIONAL PROVISIONS

DEBTOR WARRANTS AND COVENANTS: (1) That except for the security interest granted hereby Debtor is, or to the extent that this agreement states that the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral from any adverse lien, security interest or encumbrance; and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. (2) The Debtor agrees to do such acts and things as the Bank may from time to time request to maintain a valid security interest on the part of the Bank in the Collateral (free of all other liens and claims whatsoever) to secure the payment of the liabilities. (3) That no financing statement covering the Collateral or any thereof is on file in any public office and that at the request of Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the Kansas Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing such financing statement, this security agreement and any continuation or termination statement, in all public offices wherever filing is deemed by Secured Party to be necessary or desirable; and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby or if the Collateral includes crops or oil, gas or minerals to be extracted or timber to be cut, Debtor will, on demand of Secured Party, furnish Secured Party with a disclaimer or disclaimers or subordination agreement signed by all persons having an interest in the real estate, disclaiming or subordinating any interest in the Collateral which is prior to the interest of Secured Party. (4) Not to sell, transfer or dispose of the Collateral, nor take the same or attempt to take the same from the county where kept as above stated, without the prior written consent of the Secured Party. (5) To pay all taxes and assessments of every nature which may be levied or assessed against the Collateral. (6) Not to permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Collateral, and not to permit the same to be attached or replevined. (7) That the Collateral is in good condition, and that he will at his own expense, keep the same in good condition and from time to time, forthwith, replace and repair all such parts of the Collateral as may be broken, worn out or damaged without allowing any lien to be created upon the Collateral on account of such replacement or repairs, and that the Secured Party may examine and inspect the Collateral at any time, wherever located. (8) That he will at his own expense keep the Collateral insured in a company satisfactory to Secured Party against loss, as appropriate, by theft, collision, fire and extended coverage, with loss payable to Secured Party as its interest may appear, and will on demand deliver said policies of insurance or furnish proof of such insurance to Secured Party. (9) At its option Secured Party may procure such insurance, discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the repair of any damage or injury to or for the preservation and maintenance of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment or expense incurred by Secured Party pursuant to the foregoing authorization. Until such reimbursement, the amount of any such payment, with interest at the rate of 6% per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this agreement. (10) That he will not use the Collateral in violation of any applicable statute, regulation or ordinance and if any of the Collateral is motor vehicles the same will not be rented, used in rental service nor in any speed or endurance contest. (11) That in the event this security agreement is placed in the hands of an attorney for enforcement Debtor will pay the reasonable attorney's fees of Secured Party, and will pay Secured Party any and all costs and expenses incurred in recovering possession of the Collateral and incurred in enforcing this security agreement, and the same shall be secured by this security agreement.

UNTIL DEFAULT Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon, and upon default Secured Party shall have the right to the immediate possession of the Collateral.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following events or conditions: (1) default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same; (2) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor is found to have been false in any material respect when made or furnished; (3) any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking; (4) loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (5) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor.

UPON SUCH DEFAULT and at any time thereafter, or if it deems itself insecure, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Kansas Uniform Commercial Code. The secured party may assess a collection charge on each installment in default for a period of 10 days or more as an additional charge against the debtor(s), in an amount not in excess of 5% of such instalment or \$2.50, whichever is less. Secured Party may require Debtor to assemble the Collateral and deliver or make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security said Secured Party may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this security agreement, but said Secured Party may resort to any security it may have in the order it may deem proper, and notwithstanding any collateral security, Secured Party shall retain its rights of setoff against Debtor.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of Debtor shall bind his heirs, executors or administrators or his or its successors or assigns. If there be more than one Debtor, their liabilities hereunder shall be joint and several.

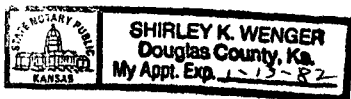
This agreement shall become effective when it is signed by Debtor.

ACKNOWLEDGMENT

STATE OF Kansas)
) SS.
COUNTY OF Douglas)

On this 1st day of April, 1980, before me personally appeared Monte R. Milstead, known to me to be the individual who executed the attached Security Agreement dated 1st day of April, 1980 as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal.



Shirley K. Wenger
Notary Public

My commission expires:

January 13, 1982

(SEAL)

STATE OF KANSAS
UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1

INSTRUCTIONS

1. Please type this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other three copies with interleaved carbon paper to the filing officer, marked ATTENTION: UCC. Enclose filing fee.
3. When filing is to be in more than one office, duplicate UCC-1 may be placed over this set to avoid double typing.
4. If the space provided for any item(s) on the form is inadequate, this item(s) should be continued on additional sheets, preferably 8" x 5".
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms.
6. At the time of original filing, filing officer should return third copy as an acknowledgement.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

1. Debtor(s) (Last Name First) and address(es):

Milstead, Monte R.
 3014 Nathan Drive
 Lawrence, Kansas 66044

2. Secured Party(ies)
 (or assignee and address(es):

Douglas County State Bank
 9th and Kentucky
 Lawrence, Kansas 66044

For Filing Officer (Date, Time,
 No. and Filing Office):

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3A. This financing statement covers the following types (or items) of property: (Describe) **Two (2) D.O.T. 112J340W nominal 33,800 gallon tank cars numbered: NATX 33950 to TCSX 228 and NATX 33952 to TCSX 229 and Assignment of lease and lease payments resulting from said lease between Tank Car Services, Inc. of Houston (debtors management agent), Lessor, and Chaparral Energy, Inc. of California, lessee and all future leases and lease payments either direct or through**
 3B. (If collateral is crops) The above described crops are growing or are to be grown on: (Describe real estate)
 debtor's agent, Tank Car Services, Co., Inc. or any other management agent.

3C. If applicable the above (goods are to become fixtures on:) (timber is standing on:) (minerals or the like, including oil and gas, or accounts will be financed at the wellhead or minehead of the well or mine located on:) (Legal description of real estate)
 (Name of record owner)

4. Check ☐ If products of Collateral are claimed ☐ Products of Collateral are also covered:

Interstate Commerce Commission

Douglas County State Bank

By: ☒ Monte R. Milstead
 (Signature(s) of Debtor(s))

By: Sam D. Campbell
 (Signature(s) of Secured Party(ies)
 (or assignee))

Monte R. Milstead

(1) Filing Officer Copy - Alphabetical

FORM UCC-1 — KANSAS UNIFORM COMMERCIAL CODE
 REV. 1-76

Form approved by:

Edward M. Shanahan
 Secretary of State